

PREET BHARARA

United States Attorney for the  
Southern District of New York

By: HEIDI A. WENDEL

MARA E. TRAGER

Assistant United States Attorneys

86 Chambers Street, 3<sup>rd</sup> Fl.

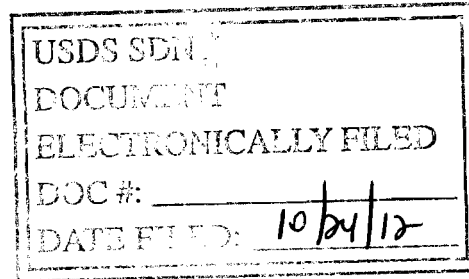
New York, NY 10007

Tel.: (212) 637-2636/2799

Fax: (212) 637-2702

Email: heidi.wendel@usdoj.gov

mara.trager@usdoj.gov



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

UNITED STATES OF AMERICA and STATE OF NEW YORK ex rel. JOHN DOE,

Plaintiff,

- against -

WESTCHESTER COUNTY HEALTH CARE CORPORATION,

Defendant.

-----X

UNITED STATES OF AMERICA,

Plaintiff,

- against -

WESTCHESTER COUNTY HEALTH CARE CORPORATION, doing business as

Westchester Medical Center,

Defendant.

-----X

**STIPULATION AND ORDER OF SETTLEMENT AND RELEASE**

WHEREAS, this Stipulation and Order of Settlement and Release (the "U.S. Relator

Release Stipulation”) is entered into among the United States of America, by its attorney Preet Bharara, United States Attorney for the Southern District of New York (the “United States”), and Relator Bruce Anderson (the “Relator,” and together with the United States, “the Parties”), through their authorized representatives;

WHEREAS, on or about July 28, 2011, Relator filed a *qui tam* action in the United States District Court for the Southern District of New York, captioned *United States of America ex rel. John Doe v. Westchester County Health Care Corporation*, 11 Civ. 5329 (CM), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Relator’s Action”). The Relator’s action alleges that defendant Westchester County Health Care Corporation (“WCHCC”) fraudulently billed Medicaid and other government payors for services that were not supported by the patient records and/or were performed by medical staff that was not licensed to provide them;

WHEREAS on or about October 10, 2012, Relator filed an amended complaint alleging claims under the *qui tam* provisions of the New York False Claims Act, New York State Fin. Law §§ 187-91 (the “Relator’s Amended Complaint”);

WHEREAS, on October 23, 2012, the United States intervened in the Relator’s Action and filed a complaint-in-intervention (the “Federal Complaint”) against WCHCC alleging that, from August 2001 to June 2010, WCHCC submitted false certifications to the federally-funded Medicaid program stating that claims for services in the outpatient department of its behavioral health center complied with applicable regulations, when in fact WCHCC knew that (i) many of the claims lacked core documentation and (ii) many of the services underlying the claims did not meet the minimum duration requirements established by the regulations and/or were provided by staff that lacked proper credentials from WCHCC (this conduct, and the conduct more

specifically described in the Federal Complaint, is defined as the “Covered Conduct”);

WHEREAS, a Stipulation and Order of Settlement and Dismissal (the “U.S. Settlement Stipulation”) between the United States, Relator, and Defendant WCHCC is being entered into and submitted to the Court simultaneously with the U.S. Relator Release Stipulation, to settle the United States' civil claims against Defendant for the conduct alleged in the Federal Complaint;

WHEREAS, New York State, through the Medicaid Fraud Control Unit of the New York State Attorney General's Office, is entering into a separate settlement agreement (the “State Settlement Agreement”) with WCHCC, to provide a release from the State with respect to the Covered Conduct;

WHEREAS, pursuant to the terms of paragraph 3 of the U.S. Settlement Stipulation, WCHCC will pay the United States the sum of three million five hundred thousand dollars (\$3,500,000) (the “U.S. Settlement Amount”);

WHEREAS, the Relator has asserted that, pursuant to 31 U.S.C. § 3730(d)(1), he is entitled to receive a portion of the U.S. Settlement Amount (the “Relator's U.S. Claim”); and

WHEREAS, the Parties hereto mutually desire to reach a full and final compromise of the Relator's claim against the United States for a portion of the U.S. Settlement Proceeds pursuant to the terms set forth below.

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants, and obligations in this U.S. Relator Release Stipulation, and for good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

#### TERMS AND CONDITIONS

1. Contingent upon and following payment of the U.S. Settlement Amount

by WCHCC pursuant to the terms of the U.S. Dismissal Stipulation, the United States will pay Bruce Anderson c/o his attorney Timothy J. McInnis, Esq., a total of seven hundred thousand dollars (\$700,000) (the "U.S. Relator's Share") from the U.S. Settlement Amount according to written instructions provided by Relator's counsel, Timothy J. McInnis, Esq.

2. In agreeing to accept payment of the Relator's Share, and upon payment thereof, Relator Bruce Anderson, for himself and his heirs, successors, attorneys, agents, and assigns, will release and will be deemed to have released and forever discharged the United States, its officers, agents, and employees from any claims pursuant to 31 U.S.C. § 3730 and for a share of the U.S. Settlement Proceeds, and from any claims against the United States arising from or relating to the filing of the Relator's Action and the Federal Complaint.

3. This U.S. Relator Release Stipulation does not resolve or in any manner affect any claims the United States has or may have against the Relator arising under Title 26, U.S. Code (Internal Revenue Code), or any claims arising under this U.S. Relator Release Stipulation.

4. This U.S. Relator Release Stipulation shall be binding only on the Parties, their successors, assigns, and heirs.

5. This U.S. Relator Release Stipulation shall become final, binding, and effective only upon entry by the Court.

6. This U.S. Relator Release Stipulation may not be changed, altered or modified, except in writing signed by the United States and the Relator.

7. This U.S. Relator Release Stipulation shall be governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising under this U.S. Relator Release Stipulation shall be the United States District Court for the

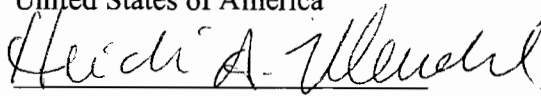
Southern District of New York.

8. This U.S. Relator Release Stipulation may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.

Dated: New York, New York  
Oct 23, 2012

PREET BHARARA  
United States Attorney for the  
Southern District of New York  
Attorney for Plaintiff  
United States of America

By:



HEIDI A. WENDEL  
MARA E. TRAGER  
Assistant United States Attorneys  
86 Chambers Street  
New York, New York 10007  
Telephone: (212) 637-2636/2799  
Facsimile: (212) 637-2702  
heidi.wendel@usdoj.gov  
mara.trager@usdoj.gov

Dated: New York, New York  
Nov 23, 2012

Bruce Anderson, Relator

By:



Timothy J. McInnis, Esq.

McInnis Law

521 Fifth Avenue, 17th Floor

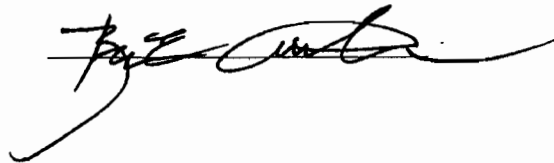
New York, NY 10175-0038

(212) 292-4573

TMcInnis@mcinnis-law.com

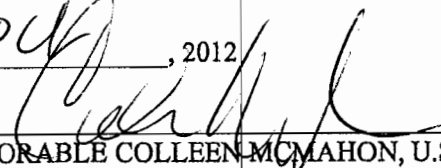
*Waukegan, Illinois*  
Dated: ~~New York, New York~~  
*October 23*, 2012

Bruce Anderson, Relator



SO ORDERED:

*23 Oct*, 2012

  
HONORABLE COLLEEN MCMAHON, U.S.D.J.